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FOREIGN OPERATIONS ADMINISTRATION
Washington 25, D.C.

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January 8, 1954

SUMMARY MINUTES

A Diversion Control meeting was held on January 7, 1954, in the MDAC office at 3 P. M.

Present:

S. M. Beresford, MDAC/FOA, Chairman
Douglas W. Coster, State
[REDACTED] CIA
Jerry Knoll, MDAC
David Tilson, MDAC

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1. Discussion:

IAD clearances are needed for outgoing messages containing intelligence-agency material. At present IAD will not grant clearances for messages containing CIA information which has been approved by CIA for release to foreign posts until it has checked back with the producing office in CIA. To eliminate this unnecessary delay an arrangement should be made with IAD whereby IAD accepts the telephonic statement of EDS that CIA approval for release has been granted. It would be possible for CIA to send IAD a copy of written approval for release in these cases.

Action:

Mr. Beresford will discuss with Messrs. Pope and Carroll of IAD and will report. (Responsible IAD officer is Miss Rodier.)

2. Discussion:

Two problems were raised with respect to CS reports:

- (a) Many CS reports relating to economic defense which are now passed to EDS by IAD are not released to MDAC.
- (b) CS reports do not specify what aspects require the security control "U. S. Officials Only".

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Mr. Coster stated that foreign service reporters regularly specify the sensitive aspects of their reports.

Action:

Messrs. [REDACTED] and Beresford will explore with appropriate CIA officials and will report.

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3. Discussion:

MDAC/W must keep MDAC/P informed of diversion cases which it expects Paris to follow. Conversely Paris should inform Washington of the diversion cases it is following from time to time. As among Washington agencies, MDAC/W and MDAC/P must know at all times who has the ball.

4. Discussion:

It was agreed that case files are essential and should be systematic and uniform. Cases will be identified by short titles (presumably numbers) which will be assigned by CIA and used by all interested offices including MDAC/P.

5. Discussion:

Mr. Coster observed that since diversion cases will be handled on a selective basis it would be necessary to formulate criteria of selection. He suggested the following criteria as a beginning:

- (a) Diversion cases which can be well documented and may be of use in persuading other COCOM governments of the need for general or specific action.
- (b) Diversion cases which indicate loopholes in the enforcement of international trade ~~patrols~~.
Controls.

6. Discussion:

Mr. Coster stated that the Economic Controls Branch, EDS, of which he is Chief, consists of the following officers:

Mr. Maas for general matters;
Mr. Burnett for Far Eastern matters in particular; and
Mr. Strong for copper diversions in particular.

Frances Breckenridge, Coster's secretary, will act as an information center to inform other diversion control officers who in the Branch has responsibility for given matters.

7. Discussion:

The question was raised to what extent, if any, written material distributed by CIA to diversion control officers in other agencies must be transmitted to the INU Secretariat.

Action:

Mr. Beresford will discuss with [REDACTED] and will report.

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8. Action:

It was decided that future meetings will be held in MDAC at least once a week. The meeting was adjourned until Tuesday, January 12th, at 10 A.M. Mr. Coster requested that the OM problem be discussed at the next meeting.

SMBeresford:ll

CC: Admiral DeLany
Mr. Hansen
Mr. Coster

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Mr. Knoll
Mr. Tilson